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PRC COMMENTARY VIEWS 'IRANGATE' CONTROVERSY

HK070707 Beijing GUANGMING RIBAO in Chinese 23 Jun 87 p 4

["International Commentary" by reporter Wang Deming (3769 1795 6900): "The 'Irangate' Incident, an Unpredictable Political Controversy"]

[Text] The first phase of investigations into the spectacular "Irangate" incident in the United States is now completed. During this period the joint special investigation committees of the U.S. Senate and House of Representatives conducted 6 weeks of hearings with 18 persons testifying before the committee for more than 100 hours. The inside story revealed in this first stage of investigations was indeed confusing and muddled. At the end of hearings on 9 June, Hamilton, chairman of the special congressional committee, pointed out: "This incident is practically a deception of the Congress and of the American people, as well as an exposure of the state of utter confusion in the government."

When the "Irangate" incident was first revealed, people thought it was all the handiwork of Colonel North of the White House National Security Council. However, the development of events showed that the large number of people involved, the treachery of secret activities, and the adeptness in the cover-up of the incident were astounding. Up to the present, some of the principal circumstances already verified are: President Reagan agreed to the implementation of the "arms for hostage" plan; former National Security Adviser McFarlane and Assistant Secretary of State Abrams covered up the circumstances behind the secret military assistance to the Nicaraguan contras and lied to Congress; North actively planned to transfer huge profits earned from the sale of weapons to Iran for arms to the Nicaraguan contras, and when the plan failed, he privately falsified and destroyed important documents; non-governmental personnel had access to confidential government codes and others. While political scandals are not rare in U.S. history, the "Irangate" incident did expose the hypocrisy and deceptions within the U.S. Government. It also further revealed the state of disarray in U.S. diplomatic work.

First of all, in testifying before Congress, all the people involved in the "Irangate" incident without exception proclaimed that theirs were "patriotic acts" and that they had "proceeded from the interests of the country". Actually, they made fortunes under the banner of "patriotism". Hakim, an Iranian American arms dealer drew millions of dollars of profits from the incident; retired Air Force Major and businessman Secord derived huge earnings from the sale of weapons to Iran, and was able to buy a private aircraft and luxury car for himself; Hakim opened a \$200,000 bank account for North as "his pension in the event of his death".

Second, Hakim, Secord and other businessmen connived to use the weapons sale issue to intervene in U.S. foreign policy. Hakim asserted the intention to overthrow Iraq's President Husayn and pressure Kuwait to release detained terrorists. Not a few people wondered how a group of private citizens could casually exercise such influence over U.S. foreign policy. How could such a thing have happened in President Reagan's second term in office? The people are perplexed.

Third, the Central Intelligence Agency played an important role in the "Irangate" incident. In his testimony, McFarlane said that while North came under his supervision, the latter enjoyed unusually close ties with the late CIA Director Casey. [paragraph continues]

Casey was the principal engineer of the military assistance to the Nicaraguan contras, and many in the U.S. intelligence community still described the Nicaraguan conflict as "Casey's war". His death could make it more difficult to clear up the mystery of the "Irangate" incident.

When the second stage of the congressional investigations begins on 22 June, the central figure in the "Irangate" incident, North, and former National Security Adviser Poindexter will testify before the committee. A focus of the investigations, as well as one of great world interest, is the extent of President Reagan's involvement. At the moment, the crucial lead lies in a memorandum drafted by North and originally intended for the President. The contents concerned the plan to furnish 1.2 million dollars of secret military assistance to the Nicaraguan contras; the money had been made from the sale of weapons to Iran. The original memorandum has been destroyed by North. Now, Reagan insists that he "never saw the memorandum". House special committee Chairman Hamilton said that if Congress should find out that Reagan knew and approved of the proposals put forth in the memorandum, it could carry out impeachment proceedings against the President.

The "Irangate" incident has already stirred more than a small political tremor in the United States. It is still difficult to predict the extent of its impact, but the repercussions are growing.

U.S. SAYS USSR RELUCTANT TO SCRAP ASIAN MISSILES

OW021744 Beijing XINHUA in English 1734 GMT 2 Jul 87

[Text] Washington, July 2 (XINHUA) -- The Soviet Government is showing some reluctance over a potential compromise treaty eliminating the two superpowers' medium- and shorter-range missiles globally, THE "WASHINGTON POST" daily reported today.

U.S. Government officials told THE POST that the hopes for a breakthrough in the negotiations on intermediate nuclear forces were sparked initially by informal remarks in Geneva two weeks ago by head of the Arms Control Directorate of the Soviet General Staff Col. Gen. Nikolay Chervov.

Chervov reportedly told U.S. negotiators that he would explore a deal in which the Soviets would drop their insistence on retaining 100 warheads in Soviet Asia and eliminate their shorter-range missiles in Asia, in exchange for a U.S. commitment not to convert its European-based medium-range missiles into weapons not covered by the treaty.

But several days later, the U.S. officials said, Soviet Deputy Foreign Minister and chief arms negotiator Yuliy Vorontsov told U.S. negotiators that Chervov's remarks had been misunderstood and that his government opposed such a deal.

The U.S. State Department said yesterday that contrary to published reports of an agreement in principle on a nuclear missiles treaty, "We haven't reached an agreement -- either formal, informal, in principle, by handshake or otherwise."

But the U.S. official sources said the United States would pursue the compromise idea at a meeting in Washington later this month between U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze.

They said the United States favors such a compromise deal because destruction of Soviet Asian missiles would, among other things, simplify verification procedures.

Max Kampelman, chief U.S. negotiator in Geneva, told THE WASHINGTON POST that he remains "very hopeful that such an agreement is possible".

SINO-U.S. ECONOMIC COOPERATION PROSPECTS BRIGHT

OW021437 Beijing XINHUA in English 1431 GMT 2 Jul 87

[Text] Wuhan, July 2 (XINHUA) -- Chinese and American economists and scholars expressed optimistic views on the future of economic cooperation between China and the United States.

They expressed the view at a seminar on Sino-U.S. economic cooperation which ended here today.

The seminar was sponsored to mark the 8th anniversary of the Sino-U.S. trade relations agreement, and it heard 44 papers submitted by 17 American and 45 Chinese economists.

At today's closing session, the economists reviewed the growth in trade between the two countries and put forward suggestions to solve problems related to Sino-U.S. economic cooperation and trade.

Participants in the seminar held, "Economic cooperation and trade between China and the United States has made marked progress since the trade relations agreement was signed on July 7, 1979, and the forms of economic cooperation between the two countries have become more diverse during the past eight years.

According to statistics, trade turnover between China and the United States topped 7.33 billion U.S. dollars last year, nearly three times the 1979 figure. China reported more than 2.62 billion U.S. dollars in exports to the United States and more than 4.71 billion U.S. dollars in imports from the United States, 3.4 times and 1.54 times increases over the 1979 figures respectively.

Zhang Peigang, professor from the Wuhan-based Central China Engineering Institute, said, China's trade deficit with the United States was 15.9 billion U.S. dollars between 1979 and 1986.

"If the deficit is not to be overcome, it will certainly affect China's payment capability and hinder the further development of trade between the two countries," Zhang added.

"The two sides should actively expand trade relations and lift improper barriers," Zhang stressed, adding that it is reported that 27 of China's textile and garment products have been banned to go to the United States.

Many economists at the seminar agreed Sino-U.S. bilateral trade and economic cooperation have great potentials and suggested that China make its products more competitive on the U.S. market.

FURTHER STUDY OF ANTI-JAPANESE WAR ADVOCATED

HK071517 Beijing RENMIN RIBAO in Chinese 6 Jul 87 p 5

[Article by Jiang Siyi (1203 1835 3015): "Further Study the War of Resistance Against Japan"]

[Text] By provoking the July 7 Incident in 1937, the Japanese imperialists launched an all-round aggressive war against China, marking the beginning of the anti-Japanese war by the whole Chinese nation. Half a century has passed since then. Today, when commemorating the 50th anniversary of this anti-Japanese war, it is quite natural for us to recall history and draw a lesson from it.

Japan's aggressive war against China brought great disaster to the Chinese people and also made the Japanese people pay a heavy price. To both the Chinese and Japanese peoples, this is a lesson that should never be forgotten. A handful of people in Japan still do not feel sorry for this today. Instead they have tried to absolve war criminals from guilt and co cheat the Japanese people by distorting history; also, they have tried in vain to impair friendship between the Chinese and Japanese peoples and to revive militarism in Japan. Both the Chinese and Japanese peoples should keep alert against such a possible development!

The anti-Japanese war was a national liberation war carried out under the banner of the anti-Japanese National United Front established on the basis of cooperation between the KMT and the CPC and, in the meantime, it was also an important stage of the new democratic revolution under the CPC's leadership. Now, in studying the anti-Japanese war, we must have a thorough understanding of the political line and military strategy put forward by the CPC, the decisive role played by the Eighth Route Army, the New Fourth Army, and the soldiers and people in anti-Japanese bases under the party's leadership in winning the victory of the war, and the position and important role of the anti-Japanese war in the worldwide anti-fascist war.

In the course of the anti-Japanese war, the CPC put forward a line of all-round resistance against the Japanese aggressors by the whole nation, correctly adhered to the principle of independence within the united front, and exercised the proletariat's leadership over the new democratic revolution mainly featuring opposition to imperialism and feudalism. The CPC proposed the idea of, and helped to found, an anti-Japanese National United Front of the Chinese people of all nationalities, made efforts to promote cooperation between the KMT and the CPC and the unit among various parties and factions in the interests of the struggle against the Japanese aggressors. The line of all-round anti-Japanese war and the strategic guideline on protracted warfare put forward by the CPC served as a line leading to the victory in the anti-Japanese war. And the anti-Japanese armed forces under the CPC's leadership and the struggle waged by the people in liberation zones became the mainstay of leadership in the anti-Japanese war.

The anti-Japanese war was a victorious people's war, the first revolutionary war against imperialist aggression in which the Chinese people won complete victory. The victory of the anti-Japanese war was basically due to the efforts of the CPC and the People's Army under the party's leadership, which was loyal to the people and the nation's liberation cause; the operation of the anti-Japanese National United Front which was maintained, expanded, and consolidated; and the unity among all nationalities. [paragraph continues]

The all-round guerrilla war carried out in the northern, central, southern, and other parts of China under the CPC's leadership was the decisive supporting force for the protracted war, and it played an especially important strategic role in the anti-Japanese war. Implementing a strategic guideline of independent guerrilla warfare, the anti-Japanese Armed Forces in the enemy's rear area fought without rear support against the enemy for a long time, waged fierce struggle against the enemy's mopping-up operations and encroachment, and thus defended and expanded the anti-Japanese bases. The growth of the revolutionary forces under the CPC's leadership not only served as the decisive contributing factor for the final victory of the anti-Japanese war but also helped to lay down a solid foundation for the victory of the people's liberation war and the birth of the PRC.

The anti-Japanese war was the greatest national revolutionary war in the Chinese people's history of revolutionary wars. Back in the beginning of the anti-Japanese war, Mao Zedong made a brilliant remark: "Revolutionary war is an antitoxin which not only eliminates the enemy's poison but also purges us of our own filth. Every just, revolutionary war is endowed with tremendous power and can transform many things or clear the way for their transformation." The aggressive war launched by the Japanese imperialists brought formidable disaster to the Chinese people and severely damaged the Chinese society and economy. However, the war educated the people and the people won the war. The Chinese people of all nationalities withstood the test of protracted war. They not only defeated the Japanese aggressors but greatly enhanced their ideological understanding, and the revolutionary force grew during the war.

The anti-Japanese war tempered the CPC and helped it to develop. During the war, the CPC stepped out of its narrow circle and turned out to be a Marxist political party rooted in the masses throughout the country. Mao Zedong Thought, which is characterized by the integration of the universal truth of Marxism and the practice of the Chinese revolution, became more mature and developed in many aspects. It emerged as a complete scientific system and was adopted as the party's guiding ideology. After the extensive party rectification, the whole party became more united and stronger ideologically, politically, and organizationally. "The experience of the three periods of the revolution, and especially that of the War of Resistance Against Japan, has convinced us and the whole Chinese people that without the efforts of the CPC, without the Chinese Communists as the mainstay of the Chinese people, China can never achieve independence or liberation, or industrialization and the modernization of her agriculture."

China's anti-Japanese war has an important part of the world's anti-fascist war, and the Chinese people took part in the world people's just, revolutionary struggle to a large extent and made great contributions to the world's progressive cause. The Chinese people engaged in the persistent anti-Japanese war on a varying scale for 14 years, from 1931 when the September 18 Incident happened, to 1945 when Japan announced unconditional surrender. This was the earliest launched and longest revolutionary movement against fascist aggression in the world. The Chinese people's persistent struggle against the Japanese aggressors wore out Japan militarily and economically, making it adopt contradictory and confused strategies all the way. Even after Japan took the risk of launching the Pacific war, the Japanese Army still had to deploy more than half of its total forces in the Chinese war theater, of which 63 percent were stuck on the battlefield in their rear area where the Eighth Route Army and the New Fourth Army were active. The world people always support each other in their just, revolutionary struggle. [paragraph continues]

The Chinese people's anti-Japanese war prevented the Soviet Union from being attacked on two fronts and, at the same time, supported the United States and Britain in their decisive battle in the Pacific Ocean. This is a historical fact that cannot be denied. Of course, the support for China's anti-Japanese war by the Soviet Union and other anti-fascist states must also be duly appreciated.

The world situation has undergone formidable changes since the end of World War II. Nowadays peace and development have become the common desire of the people of all nations and the main development trend in the world. We should further strengthen our study of the anti-Japanese war, sum up the experience presented by the anti-Japanese war and the anti-fascist war as a whole, draw lessons from history, and thus make our due contributions to enhancing friendship between China and Japan, to opposing aggressive wars, and to safeguarding world peace.

LI XIANNIAN MEETS SINO-JAPANESE TALKS PARTICIPANTS

OWO71346 Beijing XINHUA in English 1329 GMT 7 Jul 87

[Text] Beijing, July 7 (XINHUA) -- Chinese President Li Xiannian said here today that China and Japan should be friendly towards each other so as to help heal the wounds inflicted on the Chinese by Japan's invasion of China 50 years ago.

The president made this remark at a meeting with Chinese and Japanese delegations attending the third conference on Sino-Japanese friendly exchanges, which ended here today, and a women's delegation from the Japan-China Friendship Association observing the conference.

The meeting coincided with the 50th anniversary of the "July 7 Incident", which marked the start of all-out Japanese invasion of China in 1937.

Referring to what happened during the Second World War, the Chinese president said that at that time China and Japan experienced an unpleasant period in the history of their relations.

"We should let this wound heal gradually by maintaining Sino-Japanese friendship," he added.

He noted that the peoples of the two countries initiated exchanges over 2,000 years ago. He added that the overall development of Sino-Japanese relations has been good since the normalization of relations between the two countries in 1972.

"However," he said, "some obstacles have cropped up recently, for which China is not responsible."

He mentioned in particular the Kokuryo [Guanghua] case, concerning the ownership of a dormitory building in Kyoto, calling it an issue raising the question of whether there are "two Chinas" or "one China, one Taiwan."

He pointed out that the way the Japanese side is handling the case is in violation of the principles set forth in the Sino-Japanese Joint Statement and China-Japan Peace and Friendship Treaty, adding that "China will not tolerate this."

He said that a few people in Japan have the wrong notion of Japan being indispensable to China. "China bases its opening to the outside world on equality and mutual benefit, and opposes any acts aimed at achieving political ends through economic pressure," he added.

"It is a general principle, not an expedient measure, for China to develop friendship with Japan not only at present but in the future as well, since this friendship is conducive to peace in Asia and the rest of the world," he added.

The Chinese president thanked the Japan-China Friendship Association in particular and the Japanese people in general for their contributions to the development of friendship between the two countries.

He maintained that friendly contacts between the two peoples can help promote friendly relations between their governments. Both the Chinese and Japanese should keep on developing their friendship despite interference by a few people.

Masao Shimizu, head of the Japanese delegation, told Li that the Japan-China Friendship Association will continue its efforts for Japan-China friendship.

Li also exchanged view with the Japanese visitors on the world situation.

Wang Zhen, honorary president of the China-Japan Friendship Association, was present at the meeting.

On Japanese Economic Aid

OW080151 Tokyo KYODO in English 0010 GMT 8 Jul 87

[Excerpt] Beijing, July 7 KYODO -- Chinese President Li Xiannian told a Japanese visitor Tuesday China will reject Japan's economic assistance if political strings are attached.

Li, in a meeting with Masao Shimizu, head of the Japan-China Friendship Association, said China will decline Japan's economic assistance if Tokyo puts economic pressures on China to achieve its political ends, according to Japanese sources here.

Li told Shimizu some Japanese argue that China has asked for something from Japan, which has become a major economic power, according to the sources.

Meanwhile, the official XINHUA News Agency quoted Li as saying "A few people in Japan have the wrong notion of Japan being indispensable to China."

"China bases its opening to the outside world on equality and mutual benefit, and opposes any acts aimed at achieving political ends through economic pressure."
[passage omitted]

STATE COUNCILLOR FANG YI MEETS JAPANESE VISITORS

OW062346 Beijing XINHUA in English 1532 GMT 6 Jul 87

[Text] Beijing, July 6 (XINHUA) -- State Councillor Fang Yi met a group of Japanese scholars and specialists on scientific research and management led by professor Tokuro Mizushima of Kyoto University and a leading official of the Japan-China cultural exchange association.

The visitors arrived Saturday as guests of the Chinese Academy of Sciences.

FANG YI, NPC'S ZHOU GUCHENG MEET JAPANESE DIETMAN

OW071854 Beijing XINHUA in English 1511 GMT 7 Jul 87

[Text] Beijing, July 7 (XINHUA) -- Vice-Chairman Zhou Gucheng of the National People's Congress (NPC) Standing Committee and State Councillor Fang Yi met on separate occasions with Jushiro Komiyama, a member of the Japanese House of Representatives, here this afternoon.

Earlier today Hu Keshi, vice-chairman of the NPC Education, Science, Culture and Health Committee, held talks with Komiyama on exchanges between parliamentarians of China and Japan for scientific cooperation.

ROUNDUP VIEWS POLITICAL CHANGE IN SOUTH KOREA

HK031140 Beijing RENMIN RIBAO in Chinese 3 Jul 87 p 5

["Roundup" by reporter Zhou Bizhong (0719 1808 1813): "New Trends in the Political Situation in South Korea"]

[Text] Over the past week, drastic changes have taken place in the political situation in South Korea.

On 1 July, after holding a 70-minute secret consultation with No Tae-u, representative member of the ruling Democratic Justice Party and the presidential candidate for the next election, Chon Tu-hwan delivered a speech on TV accepting the 8-point proposals put forward by No Tae-u on amending the existing constitution, the direct election for president, and so on. The new proposals were put forward by No Tae-u on 29 June. They are different from those Chon Tu-hwan insisted on in the past. The proposals include restoring political rights of democratic personage Kim Tae-chung, releasing political prisoners, guaranteeing freedom of press and the freedom of the activities of political parties, and so on. In the meantime, police headquarters will abolish the state of alert, and withdraw "riot police" from various places. This is a great concession made by Chon Tu-hwan and the Democratic Justice Party to the opposition parties. It is believed that the tense and explosive political situation in South Korea may be temporarily eased.

People still remember that when answering reporters' questions on 13 June, No Tae-u still insisted on acting in accordance with Chon Tu-hwan's political agenda intending to postpone the amendment of the Constitution until after the Olympic Games. He also insisted that the president be elected by an electoral college rather than by direct elections. On 29 June, he suddenly made a 180-degree turn, which "shocked" certain Western diplomats in "Seoul." Even senior officials in the "cabinet," who belong to the Democratic Justice Party, including "Prime Minister of the State Council" Yi Han-ki were very surprised, and said that they "did not believe it."

Actually, it was under very powerful internal and external pressure that Chon Tu-hwan and No Tae-u were compelled to take the "astonishing step" of making these concessions. The large-scale and continuous demonstrations by the masses caused a turbulent situation in South Korea, constituting a severe threat to the rule of the Chon Tu-hwan regime. The United States and the international community felt uneasy about it. In particular, the Olympic Games are to be held in Seoul in autumn of next year. [paragraph continues]

With the continuous unrest in South Korea, more and more people doubted whether it could still be held on schedule. Some people even suggested that if the situation could not be eased, the Olympic Games should be held in another place. Seizing this opportunity, the opposition parties continuously put pressure on Chon Tu-hwan. On 22 June, the United Democratic Party issued a statement: "Without democracy, it will be impossible to hold the Olympic Games in Seoul." After visiting Seoul, Derwinski, U.S. Under-Secretary of State, also pointed out: "The opposition will make use of the timing of the Olympic Games to attain their political objectives. If they fail to do so, they will miss that opportunity." Western diplomats in Seoul hit the nail on the head: Without the impetus of the great rewards of a successful Olympic games, the Chon Tu-hwan government would probably not have tolerated "even half of incidents" that occurred since 10 June in South Korea.

The turbulent political situation in South Korea has aroused particular attention in the United States. The White House spokesman and Secretary of State Shultz issued one statement after another, urging the ruling and opposition parties in South Korea to hold dialogues. President Reagan also sent a special envoy to Seoul to "assess the situation," and to convey a personal letter to Chon Tu-hwan. Reagan stated his "opposition to the enforcement of martial law." On 27 June the U.S. Senate passed a resolution, urging the South Korean authorities to hold a "free and just election" to calm the current political upheaval. The United States hastily changed its previous "quiet diplomacy" into open intervention. Its purpose in so doing was simply its worries that the continuous development of such upheaval would hamper its strategic interests in Northeast Asia. Therefore, given the pressures and the intervention of the United States, Chon Tu-hwan was compelled to change his strong stand and hold a "dialogue" with the opposition.

In addition, world public opinion is paying more and more attention to the following situation: Some people from the middle class in South Korea, who have an increasingly strong influence in society, have also changed their previous attitude of showing no interest in politics. Now they feel dissatisfied with the Chon Tu-hwan authorities, and support student demonstrations. While maintaining a stable social order, they demand a political system more in conformity with the popular will. The biggest industrialists, who benefit most from economic revival, openly announced that they did not like the "present government." If they were compelled to return to the state of poverty, they would rather see the "present government" be overthrown than let it continue to exist as it is now.

After the publication of Chon Tu-hwan's speech on 1 July and the proposals put forward by No Tae-u, the United States quickly expressed its support. Opposition leaders Kim Tae-chung and Kim Yong-sam also welcomed them cautiously. People wonder whether Chon Tu-hwan, who is skilled at using both hard and soft tactics, is using a stratagem to gain a another respite. A diplomat in Seoul said: "Let us see whether something, which should be cautiously prevented, will come out." Besides, people also note the following facts: On 24 June after Sigur called on Kim Tae-chung, Kim mentioned the three demands for ending protesting activities. One of the demands was: Before Chon Tu-hwan steps down, a "national cabinet" should be set up to rule the country. On 26 June, U.S. Under-Secretary of State Derwinsky, who had just visited Seoul, revealed: "The most frequently mentioned compromise proposal" involved the election of a person "who everyone believes is qualified to become an interim president to take the post of the president." Although the present situation might be temporarily eased, it is obvious that the ruling and opposition parties will closely contend the issues of the amendment of the Constitution and the election of the President.

NEWS ANALYSIS ON SOUTH KOREAN POLITICAL SITUATION

OWO40534 Beijing XINHUA Domestic Service in Chinese 1524 GMT 1 Jul 87

[Text] Beijing, 1 Jul (XINHUA) -- News Analysis: Extremely Turbulent Political Situation in South Korea. [XINHUA Domestic Service in Chinese 1548 GMT on 1 July transmitted a correction to this new analysis, changing its title to: "Political Situation in South Korea Catching People's Attention."]

[By] XINHUA reporters Guo Quanyou and Li Ningqing

South Korean "president" Chon Tu-hwan announced today acceptance of an 8-point proposal from No Tae-u, chairman of the ruling Democratic Justice Party [DJP], which includes revision of the "constitution" and direct election of the "president." The announcement, which has been made in view of the growing momentum of the South Korean people's struggle against dictatorship, signifies a new round in the fierce struggle between South Korea's ruling and opposition parties on the question of "revising the constitution" versus "preserving the constitution."

No Tae-u's proposal, made on 29 June, also includes release of political prisoners, restoration of democratic figure Kim Tae-chung's political rights, freedom of speech, freedom of activities for political parties, protection of human rights, and the establishment of local autonomy.

Since 10 June, the struggle for revising the "constitution" and introducing direct election of the "president" has swept some 30 large and medium-sized cities in South Korea. Over 1 million people participated, including not only students but also college professors and people from political and religious circles as well as ordinary residents.

The direct cause of the struggle is Chon Tu-hwan's decision to postpone the question of "revising the constitution" until after the Olympic Games next year, to elect the next "president" through indirect election, and to designate his confidant No Tae-u to be his successor as "president."

The latest mammoth struggle is the continuation and development of the South Korean people's struggle against dictatorship in recent years. After the former South Korean "president" Pak Chong-hee was shot to death in October 1979, Chon Tu-hwan instigated a "clean-the-army coup d'etat" on 12 December of the same year, and declared himself the "president." Later on, he concocted a "constitution" which stipulated that the "president" should be elected by a "group of electors" through indirect election. As soon as the "constitution" came out, "revision of the constitution" became the main theme of the South Korean people's struggle for democracy.

In order to perpetuate his dictatorship, Chon Tu-hwan has invariably employed both soft and hard tactics in dealing with the struggle of the masses. At every crucial moment, he arrested and detained demonstrators and placed opposition leaders under house arrest or forbade them to return to the country, while placating and deceiving the opposition forces in an attempt to disintegrate them. So far, he has accepted the demand for direct election of the "president" because he wants to use the soft tactic to calm down the masses' resentment and get through his political crisis for the time being.

The international community has followed with interest the social unrest in South Korea. Whether the Seoul Olympiad can be held as scheduled in the fall of next year has become the focus of people's attention.

Recently proposals have been reported for boycotting or changing the venue of the Seoul Olympics. This is another reason for the South Korean authorities' consent to the direct election.

The United States has shown an unusual concern for the development of the political situation in South Korea. The White House spokesmen and Secretary of State Shultz have issued statements, urging both parties in South Korea to conduct dialogue and exercise "self-restraint" in order to avoid aggravating the situation. President Reagan sent a special envoy to South Korea to "obtain firsthand information about the situation" and deliver a letter to Chon Tu-hwan, "warning" him against taking excessive measures in order to "prevent bloody incidents." Obviously the U.S. concern is aimed at stabilizing the situation in order to protect the strategic interests of the United States.

Chon Tu-hwan met strong pressure within the ruling party. At a recent meeting of the DJP Central Executive Committee, almost 28 members attending the meeting unanimously favored accepting the demand for direct election. In their opinion, with the ruling party in control of the military and political power, and the largest opposition party, the Reunification Democratic Party, just beginning, even partial concessions to the masses' demand for democracy to calm the unrest could assure the DJP victory in a direct election. This is the internal reason for the South Korean authorities' concession.

After No Tae-u's proposal was published in the newspapers, opposition leaders Kim Tae-chung and Kim Yong-sam issued statements expressing cautious welcome for the proposal. However, the fundamental contradictions between the South Korean authorities and the masses have not been resolved. The ruling and opposition parties will continue their heated bargaining on revising the "constitution," electing the "president," and other issues. The turbulent political situation in South Korea can hardly be stopped at this point.

DPRK SAYS REUNIFICATION, UN MEMBERSHIP INSEPARABLE

OWO71958 Beijing XINHUA in English 1838 GMT 7 Jul 87

[Text] Pyongyang, July 7 (XINHUA) -- The Foreign Ministry of the Democratic People's Republic of Korea reaffirmed in a memorandum today that its membership in the United Nations is inseparable from national reunification.

The memorandum, dispatched by Korean official news agency KCNA today, said the DPRK "maintains the stand that it should be admitted to the U.N. with one nomenclature after the country is reunified."

The memorandum was made public on June 22 by the DPRK Foreign Ministry and has been distributed among U.N. member states as [the] official document of the Security Council.

The stand of the DPRK Government "is in full accord with the spirit of the July 4 North-South Joint Statement and conforms with the spirit of the U.N. Charter which stipulates the principle on respect for the right to self-determination," the memorandum said.

"The simultaneous entry into the U.N. by the North and South of Korea as a divided state is a gross violation of the U.N. principle and purposes," it stressed.

"The Korean people want the U.N. admission but cannot tolerate it to be used for fixing the division, not for the reunification of the country," the memorandum said.

It is clear to everyone that if divided Korea enters the U.N. as the United States and South Korean authorities hold, Korea will be recognized as "two states" internationally, it added.

The DPRK Foreign Ministry memorandum also denounced the U.S. and South Korea's saying that the simultaneous entry into the U.N. by the North and South of Korea will help ease tensions in the Korean peninsula.

"Division is the root cause of misunderstanding, mistrust and aggravated tension," it said.

The right way to ease the tension and maintain peace in the peninsula is to hold negotiations by all sides concerned, instead of the simultaneous entry into the U.N., the memorandum said.

The memorandum also urged all peace and justice-loving people and governments to boycott the U.S. and South Korean stand and to support the DPRK Government's just request.

ROUNDUP VIEWS U.S. SANCTIONS AGAINST NORWEGIAN FIRM

OW031038 Beijing XINHUA in English 0615 GMT 3 Jul 87

["Round-Up: U.S. Possible Sanctions Against Norwegian Company Sparks Criticism" -- XINHUA headline]

[Text] Stockholm, July 2 (XINHUA) -- Norwegian Foreign Minister Thorvald Stoltenberg said possible U.S. sanctions against Norwegian arms and engineering corporation threaten Norwegian-U.S. relations, according to a report from Oslo today.

The U.S. Senate adopted on Tuesday night a resolution to exclude products made by the Norwegian Kongsberg Vaepenfabrikk (KV) and the Japanese Toshiba from the U.S. market for a period of two to five years. The final resolution may not be adopted until the winter of 1988.

THE WASHINGTON POST has accused KV of cooperating with Toshiba in selling high computer technology to the Soviet Union which would enable them to build submarines that could sail 20 times more quietly than previously.

According to U.S. experts, this will mean that Soviet U-boats can get close to the U.S. coast without being detected, and that their nuclear missiles will be able to reach American targets within 20 minutes.

The export of this technology triggered a strong reaction in the United States. The U.S. Secretary of Defence, Caspar Weinberger used harsh words to describe the damage caused to the West by these exports.

On June 19, Norwegian Prime Minister Gro Harlem Brundtland wrote to U.S. President Ronald Reagan, that the Norwegian Government would draw lessons from the Kongsberg-Toshiba affair, ensuring that such exports shall not occur again.

In reply to Brundtland, Reagan pointed out on June 26 that the two countries have vital common interests in the matter. He expressed his hope that a mutually satisfactory solution would be found.

Norwegian Defence Minister Johan Jorgen Holst said he was not happy with the U.S. Senate decision and was particularly troubled by the punitive measures against the KV.

To adopt sanctions against each other is incompatible with a cooperation between two such close allies as Norway and the U.S., he said.

Kaere Willoch, chairman of the Standing Committee on Foreign Affairs in Norway's Parliament, asserted that the American actions can restrict KV's market in a way that will damage Norwegian defence production, and impair the development of new technology beneficial to the entire North Atlantic Treaty Organization (NATO).

Later Norwegian Defence Minister Holst and State Secretary Karen Stoltenberg of the Ministry of Trade and Shipping flew to the U.S. for talks with members of the U.S. Congress on the KV issue.

Norwegian politicians hope that the final decision in the U.S. Congress will allow more room for the President's judgement so that the punitive measures will recede into the background.

COLOMBIAN LIBERAL PARTY DELEGATION CONTINUES VISIT

Meets Geng Biao

OW070231 Beijing XINHUA in English 1458 GMT 6 Jul 87

[Text] Beijing, July 6 (XINHUA) -- Geng Biao, member of the Standing Committee of the Central Advisory Commission of the Communist Party of China (CPC), met here today a delegation from the Liberal Party of Colombia led by its Chairman Ernesto Samper.

Geng, who is also vice-chairman of the Standing Committee of China's National People's Congress, welcomed the first delegation from the Colombian party to visit China and extended congratulations on the establishment of friendly relations between the CPC and the Liberal Party of Colombia.

The Colombian visitors arrived here last Saturday. They have exchanged views with officials of the International Liaison Department of the CPC Central Committee on issues of mutual concern.

Confers With Zhao Ziyang

OW071354 Beijing XINHUA in English 1338 GMT 7 Jul 87

[Text] Beijing, July 7 (XINHUA) -- Zhao Ziyang, acting general secretary of the Chinese Communist Party Central Committee, said here today that he is pleased to see the establishment of relations between the Colombian Liberal Party and the Chinese Communist Party.

"We attach great importance to developing relations between the two parties," Zhao who is also premier of the State Council said at a meeting with a delegation from the Liberal Party of Colombia led by its chairman, Ernesto Samper, in the Great Hall of the People this afternoon.

Samper said Colombian President Virgilio Barco Vargas will visit China this year. He expressed his belief that Barco's visit will produce important results.

Zhao Ziyang said that he is looking forward to Barco's forthcoming visit to China, adding "His visit will promote the growth of friendly relations between the two countries."

On the international situation, Zhao said that on the fundamental issues of peace and development, China and the Latin American countries, including Colombia, share interests and have common positions.

He said China is willing to tap the potentials of economic cooperation with other Third World countries and explore with them new fields and new forms of cooperation.

HU QILI RECEIVES ECUADORAN LEFT PARTY DELEGATION

OW071850 Beijing XINHUA in English 1502 GMT 7 Jul 87

[Text] Beijing, July 7 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, met here today a delegation from the Democratic Left Party of Ecuador led by its chief Rodrigo Borja.

Borja is here to promote contacts between his party and the Chinese Communist Party and learn about China's political and economic situation.

During the meeting, Hu said that the development of relations between the two parties will promote that of relations between the two countries.

The delegation arrived here last Saturday at the invitation of the International Liaison Department of the Chinese Communist Party Central Committee.

LI PENG GREETES VENEZUELAN ENERGY MINISTER

OW071858 Beijing XINHUA in English 1513 GMT 7 Jul 87

[Text] Beijing, July 7 (XINHUA) -- Chinese Vice-Premier Li Peng met Arturo Hernandez Grisanti, minister of energy and mines of Venezuela here today.

PRC-VENEZUELA PETROCHEMICAL PACT SIGNED

OW071846 Beijing XINHUA in English 1453 GMT 7 Jul 87

[Text] Beijing, July 7 (XINHUA) -- A signing ceremony for initial cooperation in petrochemical production between the China Petrochemical Corporation (SINOPEC) and the Venezuelan Ministry of Energy and Mines was held here today.

Chen Jinhua, president of SINOPEC, and Dr. Arturo Hernandez Grisanti, minister of energy and mines of Venezuela, signed the cooperation program on behalf of their respective sides.

According to the program, SINOPEC will cooperate with the Venezuelan ministry in such aspects as research on petrochemical development, staff training, and technical and market information exchanges.

The validity term of the program is five years, but it could be prolonged for a similar period.

GU MU RECEIVES BRAZILIAN AUDITING OFFICIAL

OW071852 Beijing XINHUA in English 1505 GMT 7 Jul 87

[Text] Beijing, July 7 (XINHUA) -- Chinese State Councillor Gu Mu met here today Fernando Goncalves, president of the Federal Auditing Court of Brazil, and his wife.

After his arrival here July 4, Goncalves held talks with Lu Peijian, auditor-general of China's Auditing Administration. He will also visit Nanjing, Shanghai and Guangzhou.

NEW DEPUTY SECRETARY GENERAL OF STATE COUNCIL

OW081353 Beijing XINHUA Domestic Service in Chinese 1056 GMT 8 Jul 87

[Text] Beijing, 8 Jul (XINHUA) -- The State Council appointed on 1 July 1987 Li Changan [2621 2490 1344] as deputy secretary general of the State Council, relieving Ma Zhongchen from the post of State Council's deputy secretary general.

'TEXT' OF ZHAO ZIYANG SPEECH ON POPULATION CONTROL

OW082005 Beijing XINHUA Domestic Service in Chinese 1026 GMT 8 Jul 87

[Text] Beijing, 8 Jul (XINHUA) -- Premier Zhao Ziyang of the State Council made a speech on 3 July on a special TV program "The Day of the Five Billion" jointly sponsored by the United Nations Fund for Population Activities [UNFPA] and the U.S. Turner Broadcasting System. His speech reads in full as follows:

Friends:

Today the earth is inhabited by five billion people! The exploitation and utilization of resources on the earth by mankind is no doubt of great importance to the economic and social development of all countries. The activities of the "Day of the Five Billion" sponsored by the United Nations naturally receive the support and attention of the governments of various countries and the international community.

China is a socialist nation, and also a developing country. China's goal for development is to quadruple its gross national product by the end of this century, at which time the people will then be comparatively well-off. We will try to reach the living standards of the world's developed countries by the middle of the 21st century. China adheres to the policy of family planning while boosting its economy and strictly controlling rapid population growth in order to keep population growth in step with social and economic development and with the utilization of resources and ecology. This is the way to eliminate poverty and make our country strong and prosperous, and our people better-off. This is a basic policy of China in the period of socialist construction.

Family planning in China is practiced under the unified leadership of the state. We have set up and improved the organs for family planning at various levels; formulated relevant rules and regulations; worked out plans, principles, and policies for population growth; carried out propaganda and education work in depth; popularized birth control technology among couples of childbearing age and provided them with social services in this connection; accelerated scientific research work; and called on all of society and various relevant departments to show concern over and support family planning work. Family planning in China is practiced on a voluntary basis. Education in patriotism is conducted among the people to help them realize that China must strictly control the growth of its population for the sake of the country and the people, and to help them practice family planning according to state policy. Practice has proven that China has succeeded not only in maintaining sustained and steady economic growth, but also in reducing the birth rate, death rate, and infant mortality rate, and in extending life expectancy in general. This demonstrates the superiority of China's socialist system. Despite the fact that China's task of controlling its population growth remains extremely arduous, I believe that so long as we firmly and effectively implement our principles and policies, it is quite possible that we will be able to keep China's population to about 1.2 billion by the end of the century.

What merits attention is that 90 percent of the world's population increase is occurring in developing countries, particularly in regions with backward economies and low living standards. Therefore, it is necessary for those countries to work and implement population policies and plans suitable to their specific situations, since rapid population growth will hinder economic development. Naturally the ultimate solution to the population problem lies first in reconstruction of the existing irrational international economic order so as to promote economic development in the developing countries. Meanwhile, the efforts of the developing countries to pursue suitable and effective population policies and their endeavors to control overly rapid population growth should be recognized and supported. As the most populous country in the world, China has and will continue to make its due contributions to stabilizing the world population along with other countries.

We deeply believe that people will definitely be able to correctly and effectively solve their problems for their own development and usher in an even more beautiful future with social, economic, scientific, and cultural progress and the people's growing understanding of the population issue, and with joint efforts of governments and people of all countries.

Thank you.

COMMENTATOR MARKS PARTY DAY, URGES REFORM

HK080903 Beijing NONGMIN RIBAO in Chinese 1 Jul 87 p 1

[Commentator's article: "Promoting Reforms Is the Best Action for Marking July 1st"]

[Text] Today is 1 July, the 66th anniversary of the founding of the CPC. It will be of great significance to mark the party's birthday at a time when we are greeting the convocation of the 13th CPC National Congress, particularly when Comrade Deng Xiaoping's important speech "On the Reform of the System of Party and State Leadership" is republished today.

Communists are always reformers of the old system and builders of the new era. The historical mission of contemporary Chinese Communists is to uphold the four cardinal principles; adhere to reform, opening up, and economic invigoration; rapidly develop the productive forces; manifest the superiority of the socialist system; increase the attraction of socialism; and accelerate the development of the socialist modernization program. For this reason, promoting reform, opening up, and economic invigoration is our best action for marking July 1st.

Eight years have elapsed since China's economic structural reform started from the rural areas. Remarkable successes have been achieved in rural reform and there has been a good beginning in urban reform. Reform vigorously developed the productive forces, improved the material and cultural life of the urban and rural inhabitants, and brought about a profound change in the spiritual outlook of party members and the masses. Practice has proved that reform is the only way to solve the question of food and clothing and to be well-fed and well-clothed in the future. Reform has become the common desire of the whole party and the whole nation.

We are now confronted with the new situation and new task of accelerating and deepening reform. The reform is total, including the economic and political fields. [paragraph continues]

Political structural reform will be placed on the agenda at the 13th CPC National Congress held this autumn. In other words, following the 13th CPC National Congress, a brand new situation, in which economic structural reform and political structural reform are mutually coordinated and construction and reform impel each other, will take shape in China. The vast numbers of rural party members, cadres, and masses should be spiritually prepared to greet the new situation.

How should we be prepared spiritually? Above all we should restudy and comprehensively understand the party's line since the 3d Plenary Session of the 11th CPC Central Committee, remove all kinds of obstacles, and increase our awareness and discernment. Meanwhile, we should study, concern ourselves with, and push forward political structural reform with fervent political enthusiasm and practical spirit.

Comrade Deng Xiaoping recently pointed out: "To carry out socialism, we must have developed productive forces. Poverty is not socialism. We must uphold socialism. However, to build socialism which is superior to capitalism, we must first extricate ourselves from impoverished socialism. Although we are carrying out socialism now, it is not yet mature [bu gou ge 0008 1124 2706]. Only when we have caught up with the intermediate-level developed countries in the middle of the next century can we say that we have developed real socialism and can we boldly say that socialism is superior to capitalism. We are now advancing along this road." Comrade Xiaoping's brilliant exposition illuminated the protracted nature of China's socialist cause, which should be developed by stages. He also pointed out the direction of our socialist construction at the present stage. We must conscientiously study and understand Comrade Deng Xiaoping's thought on building socialism with Chinese characteristics.

Under the guidance of the line of the 3d Plenary Session of the 11th CPC Central Committee, the vast numbers of party members, cadres, and masses in the rural areas have emancipated their minds, made bold explorations in reform, and accumulated rich experience. If we say that we "groped our way in the dark" in the past, beginning now we should theoretically understand the line of the 3d Plenary Session of the 11th CPC Central Committee on the basis of summing up the practical of rural reform and make a leap from perceptual to rational knowledge in understanding reform and policies and distinguishing ossified views. For example, our national conditions have determined that we are now at the initial stage of socialism. The primary task at this stage is to develop the social productive forces. During this stage, we should carry out the policy of developing diversified management methods and diversified economic sectors, with the predominance of public ownership. We must understand the dialectical relations between upholding the four cardinal principles and adherence to reform, opening up, and economic invigoration. Instead of indulging in empty talk of "socialist orientation," irrespective of the development of productive forces and getting rid of poverty, we should manifest the superiority of every achievement of reform and increase the attraction of socialism. Only by acquiring a theoretical understanding of these problems can we eliminate the influence of ideological obstruction; know what to do, what can be explored, what must be perfected, and what should be prohibited; and correctly carry out the practice of reform: Only thus can we clear the misgivings about "socialism or capitalism" frequently occurring when "groping in the dark," alleviate the psychological pressure of flying into a panic at the mere rustle of leaves in the wind, and fully arouse the enthusiasm of the masses for participating in reform.

The basic level party organizations in rural areas have invigorated party work and enhanced their fighting capacity through party rectification at the township and village levels. The fundamental task of party building ahead is to ensure the implementation of the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee. The pressing task at the moment is to organize party members to study the documents of the CPC Central Committee on reform and opening up. At the same time, we must carry out propaganda, organize the masses to sum up their past practice of reform, accelerate and deepen reform, and advance toward the new goal in which economic structural reform and political structural reform are mutually coordinated and reform and construction impel each other.

COMMENTATOR'S ARTICLE EXAMINES SOCIALISM

HK080943 Beijing NONGMIN RIBAO in Chinese 26 Jun 87 p 1

[Commentator's article: "We Must Sort Out Things Attached to Socialism"]

[Text] On 22 June, in light of practical conditions in the rural reform, the Editorial Department of this newspaper invited experts and academics in the capital's theoretical circles to a meeting to discuss the issue of things attached to socialism.

Why is it necessary to discuss this issue? To be precise, this issue has been raised in the practice of China's reform.

Take the rural reform over the past few years as an example. When a new thing emerges, some questions immediately arise, such as "What is it called?" and "Is it called 'socialism' or 'capitalism'?" There have been many good things at the grass-roots levels which have proved to be very good in practice and the application of these measures has resulted in rapid economic development. However, since these practices are not in keeping with some of our traditional formulations, cadres at the grass-roots levels and the masses have always been on tenterhooks and, at the mere rustle of leaves in the wind, are liable to vacillate. Therefore, practice has questioned the veracity of some traditional formulations.

For example, there is a concept which denies that socialism is based on highly developed productive forces and which regards the transformation of production relations as a primary task in the period of socialist construction, holding that we can enter communism by merely changing the system of ownership. From this premise, is derived the concept that the higher and the more elaborate the level of socialization, the better. During the "Cultural Revolution" this concept developed to such a height that peasants engaging in duck breeding were even also regarded as practicing capitalism in some localities, saying that the ducks had eaten up socialism. If this concept is still used today, the household contact system, specialized households, and even joint-stock operations, will be negated as practice of capitalism. According to Marxism, socialist society is a society with more developed production forces which is built on the basis of a highly developed capitalist system. If we stress the level of socialization at the expense of the productive forces, does this not mean that primitive society has a higher level of socialization? According to the history of social development, without the development of the productive forces or with very backward productive forces, how can a society enter socialism?

Take the question of distribution as an example. There is a viewpoint regarding poor egalitarianism as socialism. [paragraph continues]

From the popularization of people's communes to the 3d Plenary Session of the 11th CPC Central Committee, our country has practiced the system of "everybody eating from the same big pot" for 20 years in the rural areas. The result is that several hundred million peasants have all been reduced to poverty. This long-standing poverty has created egalitarianism and the long-standing egalitarianism has extended poverty, giving rise to a malignant cycle. Practice has proved that poverty is not socialism. If the concepts that poverty is socialism and prosperity is capitalism is still applied in approaching problems, people will take a doubtful attitude toward the policy of encouraging some people to get better off ahead of others so that others can become prosperous later, which is a policy of joint prosperity, and will they regard the widening of differences in the quality of life, which is based on the general improvement in the people's living standard, as polarization. "Those suddenly becoming prosperous" will again be required to "cut their appendages."

There is still another viewpoint regarding a high degree of planning system as an inherent attribute of socialism and regarding the development of the commodity economy as the practice of capitalism, thus setting one against the other. This does not conform to the facts either. Commodity production existed in feudal society and even capitalist society does not exclude a planned economy. If a high degree of planning is regarded as an inherent attribute of socialism, does this not mean that Hitler also practiced socialism? This is because he engaged most vigorously in a highly administered economy. Naturally, in war times socialist states also practiced a high degree of planned economy and used this to overcome state economic difficulties. All this shows that planning, commodity production, and the market mechanism are neutral economic operational mechanisms which any society can use and which are neither called "socialist" nor "capitalist."

The above-mentioned viewpoints either regard what is not capitalist as capitalist, take what is not socialist as socialist, try to realize today what should be realized in the future, or today indiscriminately copy successful methods from the past in total disregard for changes in the conditions. All of them run counter to the basic Marxist viewpoints and therefore are things attached to socialism. Because there have been so many attached things in the past they have incurred enormous losses to China's socialist construction. Now they have become principal ideological obstructions to the reform. For this reason it is necessary to concentrate our efforts on sorting them out in theoretical terms in order to unify people's understanding, and strengthen their resolve on reform.

It must also be pointed out that attaching things does not mean an increase or development. By criticizing capitalism, Marx scientifically pointed out the development orientation of the future society and the general law governing it. He did not provide an unchangeable, permanent blueprint. Therefore, Marx's theory of socialism should be constantly supplemented, enriched, and developed in the course of people's practices and it has indeed been developed to a great extent in many ways today. This is naturally not a question of attaching things.

GU MU GREETES STUDENTS BEGINNING 'SOCIAL PRACTICE'

OW080326 Beijing Domestic Service in Mandarin 1500 GMT 6 Jul 87

[Text] According to a XINHUA news agency report, 20 male and female students of the Chinese People's University left by bicycle on the morning of 6 July for a survey of village and town enterprises in southern Jiangsu, starting activities of the university as social practice during the summer vacation.

State Councillor Gu Mu and Chinese People's University President Yuan Baohua cordially said good-bye to the students and encouraged them to temper themselves and enhance their knowledge and abilities through practice.

In his speech to the students, Gu Mu said: Through social practice, university students will be able to get in touch with the masses and to have a profound knowledge of society. This is what we always promote.

He pointed out: While upholding the four cardinal principles and further implementing the policies of reform and opening to the outside world, we should carry on the glorious tradition of going deep among the masses and delving into reality, a tradition fostered by young people in Yenan during the war years. College students should go to basic units and go among workers, peasants, and fighters.

Some 1,000 students of the Chinese People's University will participate in social practice during the summer vacation, accounting for 20 percent of the university's student body.

ZHANG JINGFU PRESIDES OVER SAFETY MEETING

OW082325 Beijing XINHUA Domestic Service in Chinese 1046 GMT 8 Jul 87

[Excerpts] Beijing, 8 Jul (XINHUA) -- Yesterday afternoon, Zhang Jingfu, state councillor and chairman of the National Safety Production Committee, presided over the 9th Plenary Session of the National Safety Production Committee. The meeting determined that the great flax dust explosion at the Harbin flax textile mill on the early morning of 15 March this year was an accident due to negligence. [passage omitted]

The meeting also called on localities and departments to earnestly implement the spirit of the State Council's emergency circular, issued on 8 June, on strengthening safety production work; to learn a very good but sad lesson from this major accident; to overcome bureaucratism; and to take timely measures to strengthen safety production work.

ZHANG AIPING VISITS PHOTOGRAPHY EXHIBITION

OW080332 Beijing XINHUA Domestic Service in Chinese 1419 GMT 7 Jul 87

[Excerpts] Beijing, 7 Jul (XINHUA) -- A photography exhibition featuring "Shanxi, Chahaer, and Hebei at the War of Resistance" opens in the Chinese Art Gallery today. The exhibition shows magnificent scenes of Chinese people fighting against foreign aggression 50 years ago, giving visitors an education in patriotism.

Nie Rongzhen, Liu Lantao, Xiao Ke, Geng Biao, Cheng Zihua, Wang Ping and 18 other comrades who fought against Japan at the time in the bases in Shanxi, Chahaer, and Hebei, have sent inscriptions to the exhibition. [passage omitted]

Among those who visited the exhibition today are Zhang Aiping, Liu Lantao, Xiao Ke and Yang Chengwu. [passage omitted]

TAIWAN RESIDENTS INVITED TO BEIJING ART FESTIVAL

OWO41402 Beijing XINHUA in English 1330 GMT 4 Jul 87

[Text] Beijing, July 4 (XINHUA) -- A three-week China art festival, the first of its kind, will start at the capital indoor stadium on September 5 featuring a traditional instruments orchestra of over 1,000 players.

Wan Li, vice-premier of the State Council, was elected as chairman of the festival and Cultural Minister Wang Meng as head of the organizing committee composed of 30 people.

The festival will show off the outstanding art and performances of recent years and make people's lives more colorful, said Ying Ruocheng, vice minister of culture, at today's news conference.

The festival will offer some 30 performances featuring folk music, traditional and modern operas, dances, modern dramas, acrobatics and shadow and puppet plays. The performances will be held on two stages, the vice minister said, concerts of traditional music, symphony and vocal music will be part of the festival.

The opera "Open Country", an adaption of Cao Yu's well known play with the same title, dance drama "Don Quixote" from Spanish writer Cervantes's novel will also be presented.

The festival will help promote Sino-foreign cultural exchange and the development of China's own national culture, said Ying, also deputy head of the organization committee.

Artists from Hong Kong, the Federal Germany and the Soviet Union are expected to join the festival. Paintings, cultural relics and folk customs will also be displayed.

The festival will be held every two years. Similar festivals will be held in Shanghai, Wuhan, Lanzhou, Chengdu, Urumqi, Dalian and Tianjin at the same time.

Ying invited Taiwan residents to the festival. Sponsors at home and abroad are welcome, he added.

POLITICAL IMPACT OF YANG SHANGKUN'S RISE VIEWED

HK070901 Hong Kong CHENG MING in Chinese No 117, 1 Jul 87 pp 14-16

[Article by Lu Chi-jen (7627 4949 0086): "Political Influence of the Rise of Yang Shangkun"]

[Text] A New Political Star Since the Antiliberalization Drive [subhead]

Yang Shangkun, member of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission, paid a visit to the United States. His visit attracted much attention abroad. Yang Shangkun seldom goes abroad. [paragraph continues]

To my knowledge, he has been a senior official mainly in charge of domestic affairs for many years -- from director of the General Office of the CPC Central Committee before the Cultural Revolution to military officer having command of the Armed Forces after the Cultural Revolution, he has been playing the role of an "interior official," and his role is becoming more and more important.

During his visit to the United States, Yang Shangkun made speeches everywhere, talking about matters of vital importance of the party and the state in the tone of a very authoritative person of the party and the state. This made people view him with special respect. It shows that at present, Yang Shangkun is in a decisive positive both in the CPC and in the political life of the state. The importance of his position and role began to be felt around the convention of the 6th Plenary Session of the 12th CPC Central Committee last September; and it suddenly became prominent in January this year after Hu Yaobang fell from power and the movement to oppose bourgeois liberalization was launched by the CPC.

It was said that the CPC held a Central Committee meeting in Beidaihe last year, before the 6th Plenary Session of the 12th CPC Central Committee was held in September, to discuss important matters concerning the building of spiritual civilization, the plan for reform of the political structure, and the convention of the 13th CPC National Congress. At that time, there were sharp differences and disputes among the CPC's top leaders on the question of whether the antiliberalization drive should be included in the resolution on spiritual civilization. It was said that at this critical moment Yang Shangkun "turned his coat" and firmly sided with Deng Liqun, Hu Qiaomu, and Wang Zhen. Together with Yu Qiuli and with his position as a powerful person in military circles, he forcefully advocated opposing bourgeois liberalization. This played an extremely important role in shaping Deng Xiaoping's final decision.

It was also said that before the enlarged meeting of the Political Bureau of the CPC Central Committee was held, at which Hu Yaobang was forced to resign his position, the CPC Central Military Commission held an enlarged meeting at the end of last December. Hu Yaobang and Zhao Ziyang also attended the meeting as nonvoting participants. At this meeting, major military officers severely criticized Hu Yaobang, saying that he had not adopted forceful measures to oppose bourgeois liberalization and had encouraged students to stir up trouble. After the meeting, Hu Yaobang knew very well that he had lost his influence.

Some people also said that shortly after the enlarged meeting of the CPC Central Military Commission was over, in view of the fact that the student movement was on the upsurge, a group of senior officials headed by Peng Zhen, including Bo Yibo, Wang Zhen, Hu Qiaomu, Deng Liqun, Yang Shangkun, and Yu Qiuli, went to Deng Xiaoping's office to remonstrate with Deng regarding this matter. They exaggerated the situation saying that if the students went on like that, the red color of the proletarian state would fade and the future of the party and the state would be endangered. Yang Shangkun and Yu Qiuli even laid their cards on the table, threatening that the Army would intervene in the matter and help suppress the students' movement so that the situation could be stabilized. Under such pressure, Deng Xiaoping finally decided to suppress the students' movement, dismiss Hu Yaobang from office, and launch an antiliberalization drive.

From this we can see that in this series of events, Yang Shangkun was an influential person. In a certain sense, he represents the attitude of the military circles and the interference in the political situation by the Army.

However, what the people are most interested in is not how Yang Shangkun acted during his visit to the United States and what important speeches he made on matters of vital importance of the party and the state, nor the matter of how his position of strength has grown these days. People are most interested in the fact that Yang has virtually become representative of another force within the Army which is powerful enough to match Deng Xiaoping. This force did not exist 2 or 3 years ago. If what we have reckoned is not far from the fact, this new trend in power composition will greatly influence the overall situation of development of the CPC and the Chinese society, which merits our serious attention.

Member in the Camp of Wang Ming's Line [subhead]

To gain a better understanding of the position and role of Yang Shangkun, it is first necessary to understand that Yang is basically not a "trusted follower" or a "member of the camp" and "subordinate" of Deng Xiaoping. His political background has nothing to do with Deng. As to seniority in the party and the Army, his is about the same as Deng's. This background enables him to counter Deng Xiaoping's will on some necessary occasions. At the same time, Yang Shangkun does not owe Deng Xiaoping's gratitude for his current post.

Yang Shangkun is 80 years old this year. He joined the CPC in 1926 and went to study in the Soviet Union at the end of the 1920's. He was one of the "28 and a half Bolsheviks" and had close relations with Wang Ming. Soon after returning to China in 1930, he began his work in the Army. He engaged in Red Army political work in the central Soviet area in Ruijin. In 1934 he was elected member of the central Executive Committee.

In October 1934, Yang Shangkun took the post of political commissar of the Third Army Group of the central Red Army, and the commander of the army group was the well-known figure Peng Dehuai. At that time, Lin Biao and Nie Rongzhen, respectively commander and political commissar of the First Army Group, were the same rank as Yang Shangkun in the Army, and Liu Bochong, Chen Yun, and Ye Jianying, respectively chief commander, political commissar, and deputy political commissar of Army General Headquarters, were a bit higher than he. We can see from this that as early as more than 50 years ago Yang Shangkun already held an important position in the Army, capable of handling Army affairs independently.

In January 1935 the CPC held the significant Zunyi Meeting in Guizhou. Yang Shangkun was one of the 17 regular participants at the meeting. But Deng Xiaoping was not a regular participant -- he was responsible for taking minutes of the meeting in his capacity as chief editor of HONGXING BAO [RED STAR JOURNAL]. Thus, in the early period after the founding of the CPC Army, Yang Shangkun's position in the Army was higher than that of Deng Xiaoping.

An Official Career Filled With Frustrations [subhead]

At the end of the 1930's, under Mao Zedong's control, the CPC began to criticize Wang Ming's line. There were signs that Yang Shangkun was falling into disfavor. He left the Army, where he had been for many years. But since he was quite a senior cadre, he could not be transferred haphazardly. Therefore, the CPC decided to let him take the post of secretary of the North Bureau of the CPC Central Committee. At that time, Liu Shaoqi was secretary of the Central China Bureau, and Zhou Enlai was secretary of the South Bureau. [paragraph continues]

We can see from this that Yang Shangkun was then still in a very important position. Yet Peng Zhen was then secretary of the Shanxi-Chahar-Hebei Sub-bureau under the North Bureau led by Yang Shangkun. It may thus be appropriate for us to say that Peng Zhen is an "old subordinate" of Yang Shangkun.

It was said that in 1942, Yang Shangkun committed "right" deviationist mistakes when handling relations with Yan Xishan and was thus criticized. He was then transferred from the North Bureau to the post of secretary general of the Central Military Commission in Yanan. The year 1942 was the most difficult year of the War of Resistance Against Japan. In the period from then to state takeover of power by the CPC, Yang Shangkun did not attract public attention.

After the CPC took political power, Yang Shangkun was appointed director of the General Office of the CPC Central Committee. In September 1956, the CPC held its Eighth National Congress, which decided to establish a CPC Central Committee Secretariat to handle the day-to-day work of the CPC. In fact, this was the frontline of party power. However, Yang Shangkun was only appointed to the post of alternate member of CPC Central Committee Secretariat. It was believed that this was just a symbolic post required by work contacts, because since he was director of the General Office of the Central Committee he could not be entirely excluded from the Secretariat. At that time, Deng Xiaoping, who had been in a lower position than Yang in the 1930's, became the general secretary [zong shuji 4920 2579 6088]. Even Peng Zhen, who was Yang's subordinate when he worked in the North Bureau, was appointed executive secretary of the Secretariat, higher than Yang. As a matter of fact, in the 1950's and early 1960's, only two people at the top level of the CPC, Deng Xiaoping and Peng Zhen, were promoted very quickly. Compared with them, Yang Shangkun was really "good for nothing."

Profound Relations With Marshals [subhead]

Like ordinary people political figures are also subject to fate. It seems that there is also something dictating their "ups and downs." In almost 40 years after Wang Ming's downfall in the late 1930's to the end of the Cultural Revolution, Yang Shangkun almost always had bad luck. He went down step by step in the political field and soon after the Cultural Revolution was launched he became one of the first group of anti-party elements put in jail. He was in jail for as long as 12 years from July 1966 to the end of 1978!

Yang Shangkun was out of luck and frustrated at the top level of the CPC for 40 years. This was rare in official quarters. Very few senior leaders of the CPC suffered the same fate for a very simple reason. Yang Shangkun belonged to the faction who had studied in the Soviet Union and who followed Wang Ming's line. After the Zunyi meeting, all such people fell into disfavor with the "Marxists from mountain valleys" headed by Mao Zedong and the "white area party" headed by Liu Shaoqi. After Wang Ming's downfall, Yang Shangkun did not have any backers for dozens of years.

However, there was one very important factor, that is, Yang Shangkun had very good relations with Ye Jianying, Nie Rongzhen, Liu Bocheng, and other marshals. This was not important before the Cultural Revolution because most of these marshals were not much favored either at that time. Ye Jianying, who was on very bad terms with Liu Shaoqi, could not but give way to the later in order to avoid conflicts.

The friendship between Yang Shangkun and Ye Jianying can be traced back to 1934, when the Long March began (they were colleagues at the same rank in the First Front Army of the Red Army). Moreover, in June 1935, they had a period of "going through thick and thin together" in the Fourth Front Army. At that time, the First and Fourth Front Armies effected a split and became the left-route and the right-route armies. The right-route army had more guns and men, but there were sharp contradictions between its head Zhang Guotao and Mao Zedong, and both almost resorted to arms. Yang Shangkun and Ye Jianying both left the First Front Army and respectively took the posts of chief of staff and director of the Political Department of the right-route army, the main body of which was the Fourth Front Army. They worked together and shared comforts and hardships.

In September 1935, the clashes between Mao Zedong and Zhang Guotao became open. Ye Jianying and Yang Shangkun were ordered to lead the soldiers of the original First Front Army northward. The situation was really dangerous. The First Front Army could easily have been "swallowed" by the Fourth Front Army at any time due to the great disparity in their strength. Under such dangerous circumstances, Ye Jianying and Yang Shangkun secretly led the army away. At one time they were pursued by the troops of Chen Changhao, then political commissar of the Fourth Front Army. They were lucky enough to find a way to escape, or they might have been killed.

Influence Greatly Increased After Returning to the Military Circles [subhead]

Yang Shangkun's friendship with Ye Jianying and other marshals in the early 1930's began to have some effect after 1978.

At the end of 1978 Yang Shangkun was released from prison. His mishandled case was redressed. Shortly after that he was assigned to Guangdong and became the No 2 leader of the province. More than a year later, that is, in September 1980, he was transferred to Beijing and became vice chairman and secretary general of the NPC. Soon after that, in 1981, he was appointed secretary general of the Central Military Commission and thus returned to the military circles. This was an important step in Yang Shangkun's political career in his later years, showing that he might be appointed to an even more important post. He was then 74 and had been out of the Army for 30 years.

After returning to the military circles, Yang Shangkun's official career smoothed out. In February 1982 he entered the CPC Central Committee Political Bureau, the highest policy-making body of the CPC. He was becoming more and more respected in military circles. In September 1982, at the 12th CPC National Congress, he became permanent vice chairman of the Central Military Commission, and concurrently its secretary general. Thus he was in a position of real power to handle Army affairs. Now, 5 years have passed. Because of his capability in handling affairs, Yang Shangkun has become a very important person occupying a decisive position in the party and the Army.

The rise of Yang Shangkun took place under specific historical conditions. First, after the death of Mao Zedong and Liu Shaoqi, the greatest political obstacles for Yang Shangkun were removed. As everyone knows, beginning with the Yanan period, most people connected with Wang Ming were put under the "Wuxhishan" [the 5-finger hill] and had hardly any chance to free themselves. The fact that Yang Shangkun was kept in cold storage for 40 years is proof.

Moreover, in the 1980's, since the veteran marshals and generals in the military circles were all very old, the vacancies at the top military level had to be filled. However, they had to be filled by some capable officials meeting the following requirements: senior and qualified, healthy, and trustworthy. Judging by these requirements, Yang Shangkun was obviously in a favorable position. With regard to seniority, he was almost the same as the marshals; as for health, he had not had much work to do for the dozens of years he was in disfavor, and because he was the first to be put into jail soon after the Cultural Revolution was initiated, he was tortured less by the Red Guards during the Cultural Revolution. All of this enabled him to remain healthy all of the time. With regard to being trustworthy, he had close relations with Ye Jianying, Nie Rongzhen, and others and shared suffering with them; he had not developed any enmity with Deng Xiaoping although they did not have a profound friendship in the past decades. Since they were "fellow sufferers" during the Cultural Revolution and were both from Sichuan Province, it was believed if he was recommended by Ye Jianying and Nie Rongzhen, Deng Xiaoping would certainly accept the recommendation.

Deng Also Has To Give Way to Him [subhead]

The leading body decided by the 12th CPC National Congress for the Central Military Commission was: chairman, Deng Xiaoping; vice chairmen, Ye Jianying, Xu Xiangqian, Nie Rongzhen, and Yang Shangkun. Although Yang Shangkun was the last on the list, he was in charge of day-to-day work and had most responsibility. Since Ye, Xu, and Nie were old and not in good health, they were basically in a state of retirement and convalescence. In order to prolong his life, Deng Xiaoping intended to work as an "honorary boss" not being involved in ordinary matters. Thus, most routine work of the Military Commission was now grasped in Yang Shangkun's hands.

At the National Conference of Party Delegates held in September 1985, Ye, Xu, and Nie all withdrew from the Political Bureau. Thus, at the CPC's top military level, there were only three people still holding seats in the Political Bureau: Deng Xiaoping, Yang Shangkun, and Yu Qiuli. Yu is director of the General Political Department and deputy secretary general. This gave what Yang Shangkun said in the Army more weight, and especially when he joined hands with Yu Qiuli, Deng Xiaoping had to give way to him a little. In the recent incident of dismissing Hu and opposing bourgeois liberalization, since Yang Shangkun and Yu Qiuli sided with Peng Zhen, Hu Qiaomu, Wang Zhen, and Bo Yibo, Deng Xiaoping was under great pressure.

An Important Role in the Power Makeup [subhead]

Since Yang and Deng did not have a close relationship in history and have no enmity against each other in ordinary life, and since Yang has almost the same seniority as the veteran marshals, Yang Shangkun has the capability to become a force within the Army to contend with Deng Xiaoping. It was more or less out of such a consideration that the veteran marshals forcefully recommended Yang Shangkun for important posts in the Army some time ago.

However, Yang Shangkun has always been very cautious and prudent in his actions. He seldom makes random remarks on major policies and principles. What he has done in the past few years has convinced people he is honest and hard-working and is quite respectful and submissive to Deng Xiaoping as well. Of course, all this is merely superficial. How is he getting along with Deng Xiaoping on other occasions? [paragraph continues]

On what questions does he hold identical views and work in full cooperation with Deng Xiaoping, on what questions must he obey Deng, and on what questions does Deng make concessions to him? People have no way of knowing all this. The crux is both in history and in practical life, Yang Shangkun's seniority and prestige enable him to be independent from Deng and free him from being obedient to Deng on all occasions. Such a position and role are really very important in a power struggle and in political influence.

A Situation of "Two Peaks Stand Facing Each Other" Is Formed Between Yang and Deng [subhead]

Since Yang Shangkun is in the Military Commission, Deng Xiaoping is unable to fully control the Army. It is still doubtful how great Deng's power is in controlling the Army. Now, Ye Jianying has died. Although Nie Rongzhen and Xu Xiangqian have both resigned from the Political Bureau, they are still vice chairmen of the Military Commission and have great influence in the Army. If they back Yang Shangkun, the latter's role will be greatly increased. A more important thing is that the developments in the past year or so show that Yang Shangkun has ingeniously linked his power with the orthodox force represented by Peng Zhen, Hu Qiaomu, Wang Zhen, and other veterans. In addition, with the assistance of Yu Qiuli, director of the Political Department, he has become a very important figure in the CPC and in the Army. In the Army, a situation where "two peaks stand facing each other" seems to have been formed between Yang and Deng. At times there are also voices proposing that Yang take the post of chairman of the Military Commission. Obviously, Yang Shangkun belongs to the veteran faction. He does not quite agree with the reformists represented by Hu Yaobang. It is quite possible that he even looks down on Hu Yaobang. When Hu Yaobang was much favored, with the support of Deng Xiaoping, he was ready to succeed Deng as chairman of the Military Commission. Maybe this also made Yang very unhappy. That is why he was so active in getting rid of Hu after Peng Zhen discussed the matter with him. In his capacity as a military leader, he exerted his influence on Deng and played a great role. After Hu Yaobang was dismissed, Yang Shangkun acquired more and more prestige. As far as the dismissal of Hu Yaobang is concerned, Peng Zhen should be awarded merit citation Class 1, and Yang Shangkun should be awarded merit citation Class 2.

Judging from the events of dismissing Hu Yaobang and opposing bourgeois liberalization, we have reason to believe that the rise of Yang Shangkun will produce a negative influence on China's reform and opening up and will play a role of containment on Deng Xiaoping and Zhao Ziyang's efforts to "rebuild the land of China." Backed by Yang Shangkun, who represents "half of the military force," Peng Zhen, Hu Qiaomu, and others will speak louder within the party. Likewise, by linking his power in the Army with inner-party forces represented by Peng Zhen and Hu Qiaomu, Yang Shangkun will not only be an influential armyman but will also be an important and influential political figure who has a say in the matters concerning the political fate of the party and country at large.

JOURNAL POINTS OUT OBSTACLES TO ECONOMIC REFORM

HK081313 Hong Kong MING PAO in Chinese 8 Jul 87 p 14

["Special Dispatch From Beijing": "LILUN XINXI BAO Special Commentary Points Out Three Obstacles to Deepening the Reform"]

[Text] In deepening the economic reform, China has reportedly met obstacles from three different fields, namely, ideological understanding, reform theory, and practice.

In a special commentary LILUN XINXI BAO ("Theoretical Information Bulletin") pointed out that each of the three fields contains three issues.

In the field of ideological understanding: First, it is necessary to gain a correct understanding of the basic tasks of the economic reform, that is, on the basis of developing the commodity economy, we should finish transforming the economic operational mechanisms and reforming the system of ownership; it is especially necessary to understand the special tasks confronted by the economic reform, including market organization and the need to make clear the interests of proprietors and individuals from the equity relationship.

Second, it is necessary to gain a full understanding of the protracted nature and complexity of economic reform. The current extensive economic reform is being conducted in coordination with the development of the commodity economy, which takes a fairly long time. It also takes time to adjust the interests and to establish new interest mechanisms. If these are conducted too quickly, it will lead to contradictions and conflicts of interests.

Third, it is necessary to correctly approach the difficulties and setbacks that have cropped up in the current economic reform and the economic situation.

In the field of reform theory, the first question is whether or not it is necessary to have a relaxed macroeconomic environment. It is fairly difficult to create a buyers' market now. For this reason, China's economic reform should perhaps be conducted for a long time in an economic environment which is not quite relaxed. We should fully understand this question.

The second question is the relationship between planning and market. Instead of setting planning against the market, we should establish them on the joint basis of exchange at equal value and the relationship between commodity and currency, adjust and control the market with planning, use the market to guide enterprises, and achieve the organic combination of planning and market.

The third question is whether or not it is necessary to keep to the reform path with Chinese characteristics. The protracted nature and complexity of China's economic reform determine that it is impossible to solve the question of economic structure through a package reform. Therefore, in deepening the economic reform, it is necessary to continue to take the road of advancing gradually in due order, taking small supporting measures, and practicing the double-track system.

In practice: First, it is necessary to correctly solve the contradiction between microeconomic and macroeconomic reforms. We can evaluate assets through competition, change uneven conditions within the enterprises and in the external environment into different asset prices, and gradually achieve the coordination of macroeconomic and microeconomic reforms.

Second, while establishing an interest incentive mechanism, it is necessary to establish an interest binding mechanism so that the enterprises, local governments, and individual workers not only have a strong motive for interest but also control their behavior with a strict interest binding mechanism.

Third, it is necessary to solve the contradiction between the existence of numerous reform forms and the unified reform regulations. This makes it necessary to encourage people to vigorously explore different forms of reform and, at the same time, work out unified regulations and create equal conditions for competition should there be chaos.

The special commentary stressed that in deepening the economic reform, it is very important to remove obstacles from the three fields. As far as the greatest number of the people are concerned, it is of greater practical significance to solve now the third question concerning ideological understanding, that is, how to correctly approach the difficulties and setbacks that have cropped up in the current economic reform and the economic situation.

JOURNAL CITED ON YOUNG CADRES' SHORTCOMINGS

SHK021512 Hong Kong MING PAO in Chinese 2 Jul 87 p 14

["Special Dispatch from Beijing": "Disunity Among Young Leaders"]

[Text] China will not change its policy for rejuvenating the ranks of cadres, and the 13th CPC National Congress next fall will decide to promote a number of younger cadres to the top leadership. The present problem is that the younger cadres lack basic knowledge and it is hard for them to open a new situation in work.

ZUZHI RENSHI XINXI BAO ["ORGANIZATION AND PERSONNEL INFORMATION"] said: In recent years, many young cadres have been promoted to leading positions at various levels, but some of them lack basic knowledge, cannot realize achievements in their work, and are not competent in their present jobs.

This internal journal said: "Some party committee secretaries do not know what the party committee system is, and do not know what matters should be studied and decided by the party committee collectively and what can be handled by individual leaders. Some of them do not understand the organizational principle of democratic centralism and cannot place themselves in a correct position in the organizations, so they stubbornly stick to their own opinions and refuse to carry out the collective decisions. Some of them do not understand the party's discipline for keeping secrets and lack the sense of keeping secrets. Some of them do not know the duties and rights of party members, and do not participate in the party organizations' activities for long periods. Some of them do not know how to handle the relationship between the party organization and the administration inside enterprises. Therefore, in the party and government institutions at various levels and in enterprises and other organizations, there are problems where "members of the leading bodies are not united and relations between party and administrative leaders are not harmonious."

ZUZHI RENSHI XINXI BAO said: "In order to change this state of affairs, first, it is necessary to require the young cadres to be more conscious of studying the party's basic tenets, and master the basic rules and regulations for handling party affairs. This is a fundamental step to prevent errors and mistakes in their work. Second, organizational departments at various levels should take the study of the party's basic tenets as an important part of cadre training, and should overcome the previous problem of neglecting basic knowledge but only paying attention to "new" and "advanced" theories. Third, when selecting and promoting young cadres, organizational departments at various levels should pay attention to their mastery of the party's basic tenets and their self-cultivation."

JIANGSU LEADERS ATTEND MEMORIAL FOR WAR VICTIMS

OW080336 Beijing XINHUA Domestic Service in Chinese 1401 GMT 7 Jul 87

[By reporter Yin Xuecheng]

[Excerpt] Nanjing, 7 Jul (XINHUA) -- Over 500 people from various circles in Jiangsu Province and Nanjing City and representatives of the PLA units stationed in Nanjing mourned the victims of the "Nanjing massacre" at a ceremony held at the "Memorial Hall to the compatriots killed by the invading Japanese Army during a massacre in Nanjing" in Jiangdongmen in Nanjing City this morning.

Nanjing Mayor Zhang Yaohua officiated the ceremony held at the square in front of the memorial hall. He said: In mourning our victimized compatriots, we want to teach our people and future generations never to forget the painful history of aggression, massacre, and enslavement and, displaying the spirit of patriotism and internationalism and holding high the banner of peace and friendship, strive together with the people of various countries in opposing wars of aggression and safeguarding world peace.

Leading comrades of the Nanjing Military Region, Jiangsu Province, and Nanjing City, including Xiang Shouzhi, Han Peixin, and Gu Xiulian, as well as officials of democratic parties and people's mass organizations, laid wreaths on the stone wall at the front gate of the memorial hall. [passage omitted]

GUANGDONG'S XU XIANGQIAN INSCRIBES WAR MONUMENT

HK080811 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 7 Jul 87

[Excerpt] According to NANFANG RIBAO, the Guangzhou City Government yesterday afternoon held a foundation stone laying ceremony for the Guangdong provincial aviation monument to mark the 50th anniversary of the July 7 Incident of 1937 and to commemorate Chinese pioneers in the development of aviation industry as well as the air force officers and men who heroically gave their lives during the eastern and northern expeditions or during the War of Resistance Against Japan. The ceremony was held at the 19th Route Army's cemetery in Shahe, Guangzhou. A personal, handwritten inscription by Marshal Xu Xiangqian is on the right side of the monument: "Guangdong provincial aviation monument." An inscription by Sun Yat-sen is on the back of the monument: "Save the country through the promotion of aviation." [passage omitted]

HENAN LEADERS ATTEND CYL CONGRESS OPENING

HK081148 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 7 Jul 87

[Excerpts] The Ninth Henan Provincial CYL Congress was solemnly opened yesterday afternoon at the Henan People's Hall. Over 800 delegates, representatives of the province's 3.3 million CYL members on all fronts, gathered happily under the same roof. This congress will be a general review of the province's CYL work carried out during the new period. Attending the opening session were Yang Xizong, Zhao Di, Yao Minxue, Yu Yichuan, Zhang Shude, Song Yuxi, Han Jingcao, Zhang Shixia, Zhan Jingwu, Hou Zhiying, and He Jingqi, and leaders from the provincial party, government, and military organizations. Comrade Kong Yufang presided over the opening session. Comrade Xu Binxuan delivered the opening speech. [passage omitted]

Amid warm applause, Zhao Di, deputy secretary of the provincial party committee, delivered a speech. [passage omitted]

After Comrade Zhao Di's speech, Comrade Guo Guoshan delivered a work report on behalf of the Eighth Henan Provincial CYL Committee. The work report is entitled "Adhere to the Correct Orientation of the Youth Movement, Temper Ourselves, Grow to Maturity, and Render Meritorious Service During the Process of Reform, Opening Up, and Socialist Modernization." [passage omitted]

Fu Shiping, chairman of the provincial Federation of Trade Unions, read out congratulatory messages from the provincial Federation of Trade Unions, the provincial Women's Federation, the provincial Association for Science and Technology, and the provincial Federation of Literary and Art Circles. He Jingqi, deputy political commissar of the provincial Military District, read out a congratulatory message on behalf of all the commanders and fighters from the provincial Military District as well as the provincial armed police corps. A congratulatory message from the CYL Central Committee was read out at the opening session.

HENAN MEETING ON PEOPLE'S CONGRESS ELECTIONS ENDS

HK090612 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 8 Jul 87

[Excerpts] A meeting to sum up elections for new county and township people's congresses concluded in Zhengzhou on 8 July after 5 days in session. Provincial party committee Secretary Yang Xizong gave an important speech at the meeting. He said: This election work has been victoriously concluded, thanks to the common efforts of comrades of party committees, people's congress standing committees, and election commissions at all levels. The masses are relatively satisfied with the work. This election has been an education for the voters in a socialist democracy. [passage omitted]

Yang Xizong said: Developing socialist democracy and putting the socialist legal system on a sound basis has been our party's unswerving basic principle since the 3d Plenary Session of the 11th CPC Central Committee. Without democracy, there can be no socialism. This truth has been gradually accepted by the cadres and masses. During the election work, many areas got a good grasp of education in democracy and the legal system. Some 94 percent of the electorate took part in the elections. The facts have proved that only by bringing democracy into full play can we preserve the political situation of stability and unity and make a success of reform, opening up, invigoration, and all other work.

Zhang Shude, chairman of the provincial People's Congress Standing Committee, delivered a summation at the meeting. On the question of how to deal with problems left over from the elections, he said: We must do a good job in ideological work for those cadres who gained election and for those who failed to be elected. Those who failed must get rid of old traditional concepts. They should understand that being nominated as candidates is itself an honor, and shows the trust of the organization and the masses in them. They should take a correct view of democratic elections, overcome their deficiencies, and work hard. In the future the people may choose them.

Those cadres who were elected must be modest and prudent and shoulder their heavy responsibilities. New and old cadres must strengthen unity, and learn from each other. [passage omitted]

HUNAN'S CHANGSHA REFORM PROJECTS DISCUSSED

HK030157 Changsha Hunan Provincial Service in Mandarin 0000 GMT 3 Jul 87

[Text] On 30 June, Li Tieying, director of the State Economic Structural Reform Commission, adviser An Zhiwen, and Tong Dalin and Tao Li, vice chairmen of the Structural Reform Research Association of China, listened to a report on Changsha City's pilot project in comprehensive reform of the economic structure. Comrade Li Tieying and the others proposed that Changsha City should take advantage of its strong points in resources, link up with Yueyang, Xiangtan, and Hengyang Cities and form an economic alliance with Guangzhou and other places, so that its products will be able to radiate outwards.

Comrade Li Tieying and the others said: Hunan and Changsha have very good conditions for reform. First of all, they have a good agricultural foundation; they have abundant resources in agricultural and sideline products and minerals; and the peasants have the capacity to raise capital themselves. For Changsha, Wuhan lies to the north and Guangzhou to the south. All these conditions are beneficial for developing commodity economy.

On the question of how to deepen reform in the next stage, Li Tieying and An Zhiwen said: The Changsha City CPC Committee and Government did very well in protecting the two reformers comrades Fan Changwu and Xiao Shanzhong. At present, the rural reforms should continue to deepen. The county and township governments should become responsible for their finances. Administrative-style companies should be abolished or switched to other purposes. The mayor should do a good job in managing the markets and prices.

New developments will occur in reforms throughout the country after 13th Party Congress. There should also be new developments in reforms in Changsha City. The city should have its own individuality.

Reform Meeting Ends

HK040251 Changsha Hunan Provincial Service in Mandarin 0000 GMT 4 Jul 87

[Text] The 1987 annual meeting of the China Association of Study of Economic Structural Reform concluded in Changsha yesterday. The 130 participants put forward a number of constructive suggestions on deepening the reforms.

The participants held: China's economic structural reforms have now been under way for 8 years. We have scored tremendous successes during this period. The future issue consists of further deepening economic structural reform. To ensure that this reform develops in depth, it is first necessary to integrate it still better with economic development, to ensure that the reform will benefit the readjustment of the production structure and the progress of technology, and help to achieve in not too long a time the strategic goal of raising people's living standards from meeting their food and clothing needs to attaining a comfortably well-off level.

Second, we must coordinate economic structural reform with reforms in macroeconomic readjustment measures. In the macroeconomic respect, we must learn how to use indirect methods to control and ensure sustained and steady development of the national economy.

Third, we must coordinate economic and political structural reforms. Centered on the focal issue of invigorating the large and medium enterprises, the departments in charge of the economy must do a good job in changing their functions, reduce their intervention in the enterprises, and create an environment of equal competition for the enterprises.

LEGISLATURE REQUESTS LIFTING OF MARTIAL LAW

OW081555 Taipei CNA in English 1526 GMT 8 Jul 87

[Text] Taipei, July 8 (CNA) -- The Legislative Yuan formally requested that the president lift the 38-year-old emergency decree when it sent its resolution on the question to the Presidential Office Wednesday.

The Executive Yuan and the Legislative Yuan made separate proposals to lift the emergency decree during a legislative session Tuesday. Legislative Yuan President Nieh Wen-ya announced the passage of the two proposals after obtaining the unanimous consent of all legislators.

The Secretariat of the Legislative Yuan sent a copy of their resolution to the Presidential Office by special delivery Wednesday morning so that the president might announce the lifting of the emergency decree as soon as possible.

According to Article 72 of the Constitution, the president should promulgate any bill passed by the Legislative Yuan within 10 days of receiving it. As the resolution to revoke the emergency decree is not a bill and the Executive Yuan has also completed necessary preparations, the president may promulgate it earlier.

To prepare for the lifting of the emergency decree, the Executive Yuan has undertaken two important tasks. One is to sort out the administrative decrees and orders based on the emergency decree which will soon be nullified, and the other is to prepare to readjust the official duties of some governmental organizations following the revocation of the emergency decree.

COMMENTARY URGES NEW LAWS FOR POST-MARTIAL LAW ERA

OW081212 Taipei Domestic Service in Mandarin 2300 GMT 7 Jul 87

[Commentary: "Let Us Usher in the Post-Martial Law Era"]

[Text] Yesterday the Legislative Yuan passed a bill abolishing martial law. The Legislative Yuan also passed detailed regulations on implementation of the National Security Law proposed by the Executive Yuan yesterday morning and submitted them to the president for formal implementation. Taiwan is thus entering its post-martial law era. To coordinate with the passage of the bill abolishing the martial law, the Executive Yuan, acting according to the president's order, as well as in accordance with the martial law stipulation, instructed the Defense Ministry to deal with civilian prisoners who were formerly convicted by military tribunals because of the martial law. The Executive Yuan instructed that prison terms of these civilian prisoners be commuted, according to individual circumstances. The Executive Yuan's action fully illustrates the government's sincerity in its decision to lift martial law and determination to uphold the Constitution.

The public is both excited and worried about the ushering in of a new era. What they are excited about is that they will enjoy their rights, and people's rights will be protected by the Constitution after the lifting of the 4-decades-long martial law. What worries them is our enemy is still there, despite the government's lifting of martial law to practice democracy and uphold the Constitution. Communist China is still on the other side of the Strait, looking for opportunities to subvert and invade us. This is the reason the government enacted the National Security Law and laid down detailed rules on its implementation; to ensure the safety of Taiwan. The public's scruples are superfluous and unnecessary with the enactment of the National Security Law. Now matters concerning the state's security are well provided for by the law, by which people can abide.

However, laws and regulations to ensure people's enjoying their rights are still inadequate. Everyone knows that the existing laws can manage with people's regular activities. However, there is a big gap between the existing laws and the nature of people's activities today. Hence, existing laws do not fill the requirements of the post-martial law era. For example, workers in Taiwan have never exercised their right to strike because of the restrictions of martial law. A set of good labor laws is called for so that in the future workers can legally exercise their right to strike without jeopardising the current economic order.

A set of rules for rallies and demonstrations is called for, so that a repeat of the "19 May Incident" and the "12 June Incident," which greatly disrupted traffic and affected many people's normal lives and work, can be avoided. Groups and organizations also should avoid holding immoderate activities just because martial law is lifted. They should uphold the Constitution and take national security into consideration in their actions. As a matter of fact, no country in the world will tolerate civil organizations undermining the constitutional government through illegal activities.

Many relevant laws should be amended and new laws enacted to cope with the new situation following the removal of martial law. To be sure, such colossal work cannot be accomplished in a day or two, but further procrastination is equally inadmissible. The Legislative Yuan should therefore step up work in this area.

HONG KONGBOMB INJURES 14 IN SHOPPING MALL EXPLOSION

HK081252 Hong Kong Asia Television Limited in English 1000 GMT 8 Jul 87

[Text] A bomb has exploded in the City Plaza shopping complex in Tai Koo Shing injuring 14 people, including 4 children. Witnesses said shoppers ran screaming for cover as the lunchtime crowd was reduced to confusion. Caroline Dewhurst reports:

[Begin recording] [Dewhurst] These slides were taken by a photographer immediately after the explosion. Eyewitnesses said the ground was littered with casualties, and people were screaming from burns and wounds. Smoke filled the foyer and debris littered the ground. One woman said she saw something being thrown from the top floor down into the lunchtime crowd at City Plaza 1 in Taikoo Shing.

[Unidentified eyewitness] I heard the explosive sound. Then in a few seconds a lot of people scream. I picked up [words indistinct] and see there's a lot of people laid down on the floor. Five still, five....

[Dewhurst] What was it like?

[Eyewitness] Terrible!

[Dewhurst] Only a few minutes before the explosion, an anonymous male caller telephoned the ground floor reception desk and warned that two bombs had been left in the shopping area. The rest of the conversation was drowned by background noise, and before the areas could be cleared the bomb exploded in the first floor foyer. Ambulances rushed the injured, four children, seven men, and three women, to [the] hospital. Eleven were admitted including a 6-year-old girl and a 7-year-old boy. They are both in a fair condition. The other patients are in fair or satisfactory conditions. Three other patients were discharged after treatment.

[Unidentified expert] It was an explosive device and we can tell it was a delayed part explosive device which had some sort of timing mechanism attached to it. [sentence as heard]

[Dewhurst] Police cleared City Plaza 1 and 2 shopping centers, and with the help of a specially trained sniffer dog, searched unsuccessfully for a second device. The police say they have no indication as to the motive of the bomb attack, and so far they have not found any direct links with two previous bombs that exploded earlier this year, in Tsim Sha Tsui and Yau Ma Tei. Police have appealed for witnesses to the incident to come forward and a spokesman for Swire's, which owns City Plaza, said the company will be conducting its own investigation. Meanwhile, Legislative Councillor Desmond Lee said he believed the bomb had been placed by someone with a grudge against society.

[Desmond Lee] The only intention that I can find on the part of the bomb, the person who laid the bomb, would be a grudge against society [sentence as heard]. Because Hong Kong society is too prosperous. A lot of people feel they haven't enjoyed the privileges which other people enjoy, and they do not have the wealth that other people possess. [end recording]

Second Bomb Discovered**HK090714 Hong Kong AFP in English 0649 GMT 9 Jul 87**

[Text] Hong Kong, July 9 (AFP) — A cleaner Thursday found a bomb which had gone off harmlessly, in a shopping mall here where a bomb blast injured 13 [as received] people Wednesday, police said.

Police said the second bomb was similar to the one which exploded Wednesday at the City Plaza, the main shopping mall in the densely-populated Tai Koo Shing area on Hong Kong Island.

The second bomb, found by a cleaner in a dustbin in a men's toilet, appeared to have malfunctioned and had failed to explode properly, police said.

Nine of the 13 injured Wednesday were still in [the] hospital, police said, adding that their lives were not in danger.

The bomb went off among chairs in a rest area on the second floor of the mall moments after an anonymous telephone caller told a mall receptionist that two bombs had been planted in the building.

An extensive police search of the complex Wednesday had failed to locate the second bomb.

JOINT LIAISON GROUP DISCUSSIONS OPEN IN LONDON**HK070303 Hong Kong HONGKONG STANDARD in English 7 Jul 87 p 2**

[By London correspondent Anthony Cheesewright]

[Text] High on the agenda of talks which open in London today between the British and Chinese Governments, will be law and order after Hong Kong is handed back to China in 1997.

The Joint Liaison Group will be discussing the withdrawal of British forces and their replacement by the People's Republic of China troops.

A source close to the Joint Liaison Group said:

"This will be a complicated and ticklish operation. You cannot just pull out 10,000 British troops in June 1997. It has to be a gradual, carefully phased process.

"The Joint Liaison Group will be considering the question of the stationing of PRC troops in Hong Kong, and the status and future role of the existing Hong Kong Police force."

After today's opening session, the Joint Liaison Group will divide into working groups.

Subjects 'Kept Secret'

HK080346 Hong Kong SOUTH CHINA MORNING POST in English 8 Jul 87 p 2

[By David Healy in London]

[Text] London sources are not ruling out the possibility that discussions on democracy in Hong Kong will be held at the seventh session of the Joint Liaison Group [JLG] which opened in the British capital yesterday.

The four-day meeting takes place as China is seen to be taking a tough stand against the introduction of direct elections to the Legislative Council [Legco] next year -- an option mooted in the Green Paper on representative government recently released for public consultation.

Three weeks ago, the deputy director of the Chinese State Council's Hong Kong and Macao Affairs Office, Mr Li Hou, was quoted in a mainland magazine as saying the installation of such elections by the British Government in Hong Kong next year would be against the spirit of the Sino-British Joint Declaration.

Although Mr Li later blamed the reporter for misquoting him and denied he had made the remark, China is known to be against direct elections to Legco before the Basic Law, Hong Kong's post-1997 constitution now being drawn up by a drafting committee, is promulgated in 1990.

In the chit-chat before yesterday's meeting, the leader of the Chinese side of the JLG, Mr Ke Zaishuo, said the current meeting was "very important", raising his voice as he uttered the phrase.

Other subjects to be discussed during the meeting between now and Friday are also being kept secret by both sides.

It is expected that no details will be given when the final communique is issued after the last session.

The two sides got down to business promptly in the newly remodelled former India Office wing of the Foreign Office's 1867 conference room.

The head of the British side, Mr Robin McLaren, Foreign Office Undersecretary in the Asia Department, welcomed the 10-strong Chinese delegation and their advisers to an unusually hot and sunny London.

After nearly four hours of talks, Mr McLaren said the JLG had begun its latest session "caught in a very good way."

The talks had been "useful and fruitful in an atmosphere of friendship and cooperation," he said.

His counterpart, Mr Ke, from the Hong Kong and Macao Office of the Chinese Foreign Ministry, simply agreed with Mr McLaren's diplomatic formula.

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